

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF WEST LAUREL WATER)	
ASSOCIATION, INC., LAUREL COUNTY,)	
KENTUCKY, FOR (1) A CERTIFICATE OF PUBLIC)	
CONVENIENCE AND NECESSITY AUTHORIZING)	
CONSTRUCTION OF MAJOR ADDITIONS AND)	
IMPROVEMENTS TO ITS WATER DISTRIBUTION)	
SYSTEM; (2) APPROVAL OF REVISED WATER)	CASE NO.
SERVICE RATES AND CHARGES; AND (3))	2002-00203
APPROVAL OF THE ISSUANCE OF PROPOSED)	
PLAN OF FINANCING, PURSUANT TO THE)	
PROVISIONS OF KRS 278.023 AND 807 KAR 5:069)	

O R D E R

On June 12, 2002, West Laurel Water Association, Inc. (West Laurel) submitted an application for a Certificate of Public Convenience and Necessity to construct and finance a \$2,136,000 waterworks construction project. The project, Water System Improvements, Project No. 1999116, consists of the construction of a one million gallon water storage tank, the upgrading of the existing booster pump station, and the installation of approximately 5.6 miles of 8-inch and 1.3 miles of 4-inch water transmission and distribution lines, to provide water service to approximately 5 additional customers. West Laurel proposes to finance the construction of the project through:

- A loan in the amount of \$1,536,000 from the United States of America, acting by and through the U.S. Department of Agriculture, Rural Development (the

USDA-RD) for a 40-year period with an interest rate not to exceed 5.00 percent.

- A USDA-RD grant in the amount of \$500,000.
- An Applicant contribution in the amount of \$100,000.

West Laurel s application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water utilities and the U.S. Department of Agriculture or the U.S. Department of Housing and Urban Development and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that minimum filing requirements were met in this case on June 12, 2002, KRS 278.023 does not grant the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. West Laurel is granted a Certificate of Public Convenience and Necessity for the proposed construction project.
2. West Laurel s proposed plan of financing with USDA-RD is accepted.
3. West Laurel is authorized to obtain a loan from USDA-RD not to exceed \$1,536,000.
4. The rates set out in Appendix A, which is attached hereto and incorporated herein, are the rates approved for service rendered on and after the date of this Order.
5. West Laurel shall file a copy of the as-built drawings and a certified statement that the construction has been satisfactorily completed in accordance

with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

6. West Laurel shall notify the Commission one week prior to the actual start of construction and at the 50 percent completion point.

7. Three years from the effective date of this Order, West Laurel shall file an income statement, along with any pro forma adjustments, in sufficient detail to demonstrate that the rates approved herein are sufficient to meet its operating expenses and annual debt service requirements.

8. West Laurel shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer is outside the requirements of 807 KAR 5:066, Section 5(1), West Laurel shall take immediate action to maintain the level of service in conformance with the regulations of the Commission.

Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 26th day of June, 2002.

By the Commission

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2002-00203 DATED JUNE 26, 2002

The following rates and charges are prescribed for the customers in the area served by West Laurel Water Association. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

5/8 x 3/4 Inch Meter

First	1,000	gallons	\$ 8.29	Minimum bill
Next	2,000	gallons	3.99	per 1,000 gallons
Next	2,000	gallons	3.69	per 1,000 gallons
Next	5,000	gallons	3.12	per 1,000 gallons
All Over	10,000	gallons	2.44	per 1,000 gallons

1 Inch Meter

First	5,000	gallons	\$ 23.65	Minimum bill
Next	5,000	gallons	3.12	per 1,000 gallons
All Over	10,000	gallons	2.44	per 1,000 gallons

2 Inch Meter

First	20,000	gallons	\$ 63.65	Minimum bill
All Over	20,000	gallons	2.44	per 1,000 gallons

3 Inch Meter

First	30,000	gallons	\$ 88.05	Minimum bill
All Over	30,000	gallons	2.44	per 1,000 gallons

4 Inch Meter

First	50,000	gallons	\$ 136.85	Minimum bill
All Over	50,000	gallons	2.44	per 1,000 gallons

6 Inch Meter

First	100,000	gallons	\$ 258.85	Minimum bill
All Over	100,000	gallons	2.44	per 1,000 gallons

Wholesale Rate

Cumberland Falls Highway Water District			\$1.78	per 1,000 gallons
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